

AN ACT

relating to the applicability of the law governing the ad valorem taxation of a dealer's motor vehicle inventory.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 23.121(a)(3), Tax Code, is amended to read as follows:

(3) "Dealer" means a person who holds a dealer's general distinguishing number issued by the Texas Department of Motor Vehicles under the authority of Chapter 503, Transportation Code, or who is legally recognized as a motor vehicle dealer pursuant to the law of another state and who complies with the terms of Section 152.063(f). The term does not include:

(A) a person who holds a manufacturer's license issued under Chapter 2301, Occupations Code;

(B) an entity that is owned or controlled by a person who holds a manufacturer's license issued under Chapter 2301, Occupations Code; ~~or~~

(C) a dealer whose general distinguishing number issued by the Texas Department of Motor Vehicles under the authority of Chapter 503, Transportation Code, prohibits the dealer from selling a vehicle to any person except a dealer; or

(D) a dealer who:
(i) does not sell motor vehicles described
by Section 152.001(3)(A);

1 (ii) meets either of the following
2 requirements:

3 (a) the total annual sales from the
4 dealer's motor vehicle inventory, less sales to dealers, fleet
5 transactions, and subsequent sales, for the 12-month period
6 corresponding to the preceding tax year are 25 percent or less of
7 the dealer's total revenue from all sources during that period; or

8 (b) the dealer did not sell a motor
9 vehicle to a person other than another dealer during the 12-month
10 period corresponding to the preceding tax year and the dealer
11 estimates that the dealer's total annual sales from the dealer's
12 motor vehicle inventory, less sales to dealers, fleet transactions,
13 and subsequent sales, for the 12-month period corresponding to the
14 current tax year will be 25 percent or less of the dealer's total
15 revenue from all sources during that period;

16 (iii) not later than August 31 of the
17 preceding tax year, filed with the chief appraiser and the
18 collector a declaration on a form prescribed by the comptroller
19 stating that the dealer elected not to be treated as a dealer under
20 this section in the current tax year; and

21 (iv) renders the dealer's motor vehicle
22 inventory in the current tax year by filing a rendition with the
23 chief appraiser in the manner provided by Chapter 22.

24 SECTION 2. Section 23.121, Tax Code, is amended by adding
25 Subsection (a-1) to read as follows:

26 (a-1) A dealer who has elected to file the declaration
27 described by Subsection (a)(3)(D)(iii) and to render the dealer's

1 motor vehicle inventory as provided by Subsection (a)(3)(D)(iv)
2 must continue to file the declaration and render the dealer's motor
3 vehicle inventory so long as the dealer meets the requirements of
4 Subsection (a)(3)(D)(ii)(a) or (b).

5 SECTION 3. This Act applies only to the ad valorem taxation
6 of a dealer's motor vehicle inventory for a tax year beginning on or
7 after the effective date of this Act.

8 SECTION 4. This Act takes effect January 1, 2014.

President of the Senate

Speaker of the House

I certify that H.B. No. 315 was passed by the House on May 10, 2013, by the following vote: Yeas 143, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 315 on May 24, 2013, by the following vote: Yeas 146, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 315 was passed by the Senate, with amendments, on May 22, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor